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SUBJECT: VP ADEL ABDEL MEHDI ON SADR CITY AGREEMENT, IRAN,
TAWAFUQ RETURN, AND AGRICULTURAL POLICY

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

11. (C) Summary: In a May 12 meeting, Vice President Adel Abdel Mehdi hailed the May 12 UIA-Sadrism Trend ceasefire agreement as an important step forward in affirming GOI authority by allowing the Iraqi army to enter and conduct operations in Sadr City. The Ambassador urged Adel to join Deputy Prime Minister Barham Saleh's call for a united GOI policy approach to Iran that demands Tehran deal with Iraq on a state-to-state basis, rather than through the Quds Force. Adel said the UIA delegation visit to Tehran was a step in this direction but -- apparently speaking on behalf of his ISCI organization -- divulged that it is "hard for us to go against Iran." Adel said that fellow Vice President Tareq al-Hashemi told him that he was still haggling with Prime Minister Maliki over candidates to fill senior GOI positions and that he had submitted a third list of proposed names for Maliki's review. An economist by background, Adel sketched out a comprehensive three-point plan to revitalize Iraq's agricultural sector that would rely on heavy GOI price supports. End Summary.

UIA-Sadrism Agreement and Iran

12. (C) Adel was upbeat on the UIA-Sadrism Trend agreement reached earlier in the day that called for a four-day ceasefire. He lauded the deal as an important step forward in affirming GOI authority by allowing the Iraqi Security Forces to enter and conduct operations in Sadr City. He noted that the Sadrists had previously insisted that only the Iraqi police, which Adel said is full of Sadrism sympathizers, could enter but they later agreed that the Iraqi army can perform operations, which Adel considered an important concession. The Ambassador replied that agreement implementation was off to a shaky start, with Sadrists refusing to tell ISF the location of buried IEDs and insisting that Sadrists, rather than the ISF, would clear them from the streets in contravention of the agreement.

13. (C) Adel claimed the USG could help promote resolution of intra-Shia conflict through public expressions of interest in resuming dialogue with Iran. The Ambassador noted that Iran had stated publicly that it would not resume dialogue with the U.S. while operations continued in Sadr City, and he complained of a media statement in "al-Sharq al-Awsat" newspaper by Adel's ISCI/Badr colleague Hadi al-Amri, who was quoted as saying that Tehran had every right to refuse to talk to the U.S. under present circumstances. Adel defended his ISCI colleague, claiming that Amri had done a "good job" as a member of the UIA delegation that visited Tehran on May 1-2 by walking Iran back from its tough stance toward the UIA during a "catastrophic" first day of talks. In full dissembling mode, Adel dismissed Amri's statement as a "small issue" and questioned whether the Ambassador had seen an accurate translation of Amri's remarks.

14. (C) The Ambassador urged Adel to join Deputy Prime Minister Barham Saleh's call for a new and united GOI policy

approach to Iran that demands Tehran engage with Iraq on a state-to-state basis, rather than through the Quds Force. He stressed that the USG does not oppose normal or even good relations between Iraq and Iran, but such relations must be between two states. Adel said the UIA delegation visit to Tehran was a step in this direction toward making Iran understand that it has an interests in respecting and dealing with Iraq as a government and state. He took the Ambassador's repeated point that the Iraqi approach be united and persistent, but -- apparently speaking on behalf of his ISCI organization -- he blurted that it is "hard for us to go against Iran." He noted the Iranians have asked him to visit Tehran soon to discuss USG-GOI bilateral relationship talks and security issues.

Tawafuq Return to GOI

15. (C) Adel said that fellow Vice President Tareq al-Hashemi confided that he was still haggling with Prime Minister Maliki over candidates to fill senior GOI positions and that he had submitted a third list of proposed names for Maliki's review. He said it appeared that Hashemi and Adnan Duleimi were still working together to get Tawafuq back into the government. He advised Hashemi to be "patient" when dealing with Maliki, adding that Hashemi appeared "frustrated." The Ambassador stressed the importance of Tawafuq re-joining the GOI as a sign of unity to the Iraqi people and neighboring states. He mentioned Hashemi had told him that, once Tawafuq re-joined the GOI, he would lead a broadly-representative GOI delegation on a regional tour to display Iraq's unity and press for greater regional engagement with Iraq. Adel said

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regional partnership is very important, noting that he would leave for an economic conference in Egypt on May 14.

Agricultural Policy

16. (C) A trained economist, Adel briefed on a comprehensive three-point plan his office had formulated that is designed to revitalize Iraq's agricultural sector. The plan would streamline the process by which the GOI Agricultural Ministry leases farmland (he said the GOI owns much of Iraq's arable land), and would provide a set of production-based incentives and penalties for farmers who lease and work the land. The plan also proposes new and simpler ways for farmers to obtain financing for land and inputs. The plan's key feature is heavy price supports for farm products: Adel said such supports must result in prices "much higher" than international market prices in order to provide incentives to farmers. He said most of not all of his proposals could be implemented by ministerial decrees and regulations, but added that the very capable GOI Minister of Agriculture Ali al-Behadi is not well-served by his ministry staff. The Ambassador noted that Iraq must find a way to deal with large quantities of imported, low-priced Iranian and Turkish produce, and that price subsidies and tariff barriers might affect Iraq's WTO accession.

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